

# PROFESSIONAL SERVICE CONTRACT TRANSMITTAL RECORD

APPROVED SEP 21 2010

## Insurance Requirement

ACCOUNTS PAYABLE WILL HOLD UP ALL CONTRACT PAYMENTS UNTIL ALL INSURANCE CERTIFICATES/POLICIES REQUIRED UNDER THE CONTRACT HAVE BEEN RECEIVED. CONTRACTORS SHOULD BE MADE AWARE OF THIS REQUIREMENT.

TYPE OF CONTRACT: (Check One) <input type="checkbox"/> CONSTRUCTION/DEMOLITION <input type="checkbox"/> LEASE <input type="checkbox"/> DEED <input checked="" type="checkbox"/> PROFESSIONAL SERVICES		DEPARTMENT HEAD'S SIGNATURE (b)(6), (b)(7)(C)	DEPARTMENT INFORMATION TECHNOLOGY SERVICES DEPARTMENT	CHANGE ORDER # 1	STANDARD PO NUMBER	CONTRACT PO NUMBER 2821494
FUNDING SOURCE (Percent) FEDERAL % STATE % CITY 100% OTHER %		DEPARTMENT CONTACT PERSON (b)(6), (b)(7)(C)	PHONE NO. (b)(6), (b)(7)(C)	REVISION	REVISION	REVISION
CONTRACTOR'S NAME: FUTURENET GROUP, INC.		DATE PREPARED 06/30/2010				
CONTRACTOR'S ADDRESS: 12801 AUBURN STREET, DETROIT, MICHIGAN 48223		ENGINEER'S ESTIMATE <input type="checkbox"/> CONTRACT <input checked="" type="checkbox"/> CHANGE <input type="checkbox"/> TOTAL CONTRACT AMOUNT \$3,500,000.00 TOTAL CPO AMOUNT \$0.00 CHANGE AMOUNT \$0.00				
PHONE NO. (b)(6), (b)(7)(C)		<input checked="" type="checkbox"/> CORPORATION <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> INDIVIDUAL				
FEDERAL EMPLOYER/SOCIAL SECURITY NUMBER: 38-3217146		MINORITY FIRM <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO				
PURPOSE OF CONTRACT: TO PROVIDE COMPUTER PROGRAMMING, CODING AND ANALYSIS.						
CHARGE ACCOUNT: VARIOUS - - - - -						

TIME & DATE IN	APPROVER MUST ALSO MAKE APPROPRIATE NOTES IN ORACLE PURCHASE ORDER	TIME & DATE IN
	REQUESTING DEPARTMENT (b)(6), (b)(7)(C) AUTHORIZED DEPARTMENT REPRESENTATIVE	
	BUDGET <input checked="" type="checkbox"/> RECOMMEND APPROVAL <input type="checkbox"/> RECOMMEND DENIAL BUDGET DIRECTOR OR DEPUTY	
	GRANT MANAGEMENT SECTION <input type="checkbox"/> RECOMMEND APPROVAL <input type="checkbox"/> RECOMMEND DENIAL GRANT ACCOUNTANT	
	FINANCE DEPARTMENT <input checked="" type="checkbox"/> RECOMMEND APPROVAL <input type="checkbox"/> RECOMMEND DENIAL CITY OF DETROIT CONTRACTS SECTION LAW DEPARTMENT FINANCE DIRECTOR OR DEPUTY	JUL 14 2010 PM 3:13 CITY OF DETROIT FINANCE ADMINISTRATION
	LAW DEPARTMENT <input checked="" type="checkbox"/> RECOMMEND APPROVAL <input type="checkbox"/> RECOMMEND DENIAL CORPORATION COUNSEL	
	PURCHASING DIVISION PURCHASING DIRECTOR	JUL 16 AM 8:56 PURCHASING DIVISION
CITY COUNCIL APPROVAL JCC REFERENCE: PAGE SEP 14 2010 DATE		

Contract # 2821494

# CONTRACT SYNOPSIS

Contract Name: Futurenet Group, Inc.

Address: 12801 Auburn Street

Detroit, Michigan 48223

To provided technical resources to various City agencies to  
Project: assist with their technology initiatives.

Grant Funding: \_\_\_\_\_

Contract Amount: \$3,500,000.00

Contract Period: July 1, 2010 through June 30, 2012

Advance Payment: \_\_\_\_\_

Brief Descripton: Professional technical resources for City agencies on a as  
needed basis.

Reason for Delay: \_\_\_\_\_

**ACORD™ CERTIFICATE OF LIABILITY INSURANCE**DATE (MM/DD/YYYY)  
7/01/2010

<b>PRODUCER</b> <b>ZERVOS GROUP, INC.</b> 24724 Farmbrook (248) 355-4411 Box 2067 Southfield, MI 48034-2067		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
<b>INSURED</b> <b>FUTURENET GROUP, INC.</b> 12801 Auburn St. Detroit, MI 48223		<b>INSURERS AFFORDING COVERAGE</b>	<b>NAIC #</b>
		INSURER A: Selective Insurance Company of	
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A		<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Contractual <input checked="" type="checkbox"/> XCU GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	S1873401	01/01/10	01/01/11	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000
A		<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	S1873401	01/01/10	01/01/11	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
A		<b>EXCESS/UMBRELLA LIABILITY</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$	S1873401	01/01/10	01/01/11	EACH OCCURRENCE \$3,000,000 AGGREGATE \$3,000,000 \$ \$ \$
		<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

City of Detroit - ITS is included as Additional Insured per written contract with respect to the General Liability.

**CERTIFICATE HOLDER**

City of Detroit - ITS  
 Coleman A. Young  
 Municipal Center  
 2 Woodward Avenue  
 Detroit, MI 48226

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

0-4 [Signature]

## **IMPORTANT**

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

## **DISCLAIMER**

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

RECEIVED  
06/14/2010

HUMAN RIGHTS DEPARTMENT  
EQUAL EMPLOYMENT OPPORTUNITY VENDOR CLEARANCE  
(EEOVC)

FUTURENET GROUP, INC.  
12801 AUBURN STREET  
DETROIT, MI 48223

Requesting Department: ITS  
Department Contact: n/a  
Project Name: Professionals & Technical Resource Services  
Project  
Contract Number: 2821494  
Contract Amount: \$3,500,000.00  
HRD Clearance Code: CL-2179-10T  
Description of Services/Project(s): Professionals & Technical Resource Services  
Project

NOTE: This clearance applies to the above contract only.

Signature: (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)  
(b)(6), (b)(7)(C) Director

Date: June 11, 2010

Dave Bing, Mayor

JUL 07 2010

## REQUEST FOR INCOME TAX CLEARANCE

REQUESTING DEPARTMENT/DIVISION CONTACT: \_\_\_\_\_ PHONE: \_\_\_\_\_

Type of Clearance: ☐ New ☒ Renewal (please submit 30 days prior to submitting bid or expiration date) ☐ Other

A.

To: City of Detroit  
Income Tax Division  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Ste. 512  
Detroit, MI 48226For Individual  
or Company Name FutureNet Group, Inc.Phone: (313) 224-3328 or 224-3329  
Fax: (313) 224-4588& Address 12801 Auburn StreetCity DetroitState Michigan Zip Code 48223Telephone (313) 544-7117 Fax # (313) 544-7111B. Name of Chief Financial Officer/Authorized Contact Person  
& EIN Number (include address if different from above)

(b)(6), (b)(7)(C) 38-32171746

Telephone # (b)(6), (b)(7)(C)Fax # (313) 544-7111Employer Identification or Social Security Number  
38-3217146

Spouse Social Security Number

Nature of Contract: Consulting Services

BID/CONTRACT AMOUNT (if known)

Labor: \$ \_\_\_\_\_ Material: \$ \_\_\_\_\_

Contract # (if known) \_\_\_\_\_

C. ALL QUESTIONS MUST BE ANSWERED TO EXPEDITE APPROVAL PROCESS. ANY QUESTION  
NOT ANSWERED MAY RESULT IN A DENIAL OF INCOME TAX CLEARANCECheck One: ☐ Individual ☒ Corporation ☐ Partnership

## EMPLOYEE ANSWER QUESTIONS 1,2,3,4.

1. Have you filed joint returns with spouse during the last seven (7) years? (If yes, include spouse SSN above) ☐ Yes ☐ No
2. Are you a student and/or claimed as a dependent on someone else's tax return? ☐ Yes ☐ No
3. Were you employed during the last seven (7) years? ☐ Yes ☐ No
4. Were you a resident of Detroit during the last seven (7) years? ☐ Yes ☐ No

## EMPLOYER ANSWER QUESTIONS 5,6,7.

5. Is the company a new business in Detroit? If yes, attach Employer Registration (Form DSS-4)? ☐ Yes ☒ No
6. Will the company have employees working in Detroit? ☒ Yes ☐ No
7. Will the company use sub-contractors or independent contractors in Detroit? ☒ Yes ☐ No

D. FOR INCOME TAX USE ONLY

Has the employer/employee complied with the provisions of the City Income Tax Ordinance?

☐ Yes ☒ No Signature (b)(6), (b)(7)(C) Date APR 09 2010 Expires \_\_\_\_\_☒ Yes ☐ No Signature (b)(6), (b)(7)(C) Date APR 09 2010 Expires APR 09 2011☐ Yes ☐ No Signature \_\_\_\_\_ Date \_\_\_\_\_ Expires \_\_\_\_\_VISIT OUR WEBSITE FOR INFORMATION AND TAX FORMS AT [www.ci.detroit.mi.us](http://www.ci.detroit.mi.us)

# PURCHASING DIVISION

## VENDOR CLEARANCE REQUEST

Submit to:

Revenue Collections  
Purchasing Vendor  
2 Woodward Ave, Suite 1012  
Detroit, MI 48226  
(313) 224-4087 (Telephone)  
(313) 224-4238 (Fax)

Nature of Contract DDOT - City of Detroit Call Center  
Contract Amount \$3,500,000.00

Business Type: ☒ Corp ☐ Partnership ☐ Sole Proprietorship ☐ Personal Services

Business Name FutureNet Group, Inc.

Complete Business Address 12801 Auburn Street Detroit, MI 48223

Tax ID/FID No. 38-3217146

City Personal Property ID # 22995883 02

Owner(s) Name (b)(6), (b)(7)(C)

Owner(s) Home Address (b)(6), (b)(7)(C)

Contact Person (b)(6), (b)(7)(C)

Phone Number (b)(6), (b)(7)(C)

Fax: (313) 544-7111

PLEASE DO NOT WRITE BELOW THIS LINE

Real Property

Special Assessment

Personal Property

Other Receivable

☐ Denied

☐ Denied

☐ Denied

☐ Denied

☒ Approved

☒ Approved

☒ Approved

☒

Comments:

REVENUE COLLECTIONS

APPROVED

CONTRACT CLEARANCES

Please mail, fax or drop off this Vendor Request Form to the Revenue Collection Unit at the address indicated above. You will be responsible for keeping the clearance and submitting a copy to Purchasing with your bid package.

(b)(6), (b)(7)(C)

4-9-10

AUG 31 2010

Signature

Date

Expiration date

## Contractor Certification for Waiver of Owned Automobile Liability Coverage

The undersigned authorized representative of the contract providing services under Professional Services Contract #2821494 does hereby certify that the Contractor named below is an organization that owns no automobiles and affirms that the Contractor has no plans to acquire any automobiles during the term of the contract. The Contractor further certifies that if the Contractor acquires any automobiles during the term of the contract, the Contractor will (1) obtain owned auto liability coverage as required by the terms of the contract and (2) provide a certificate of such insurance to the City department with whom it has contracted its services. Under these circumstances, it is requested that the contract requirement for owned auto liability coverage be waived.

Contractor Name:	FutureNet Group, Inc.
Contractor Address:	12801 Auburn Street
	Detroit, MI 48223
Signature of Authorized Representative	(b)(6), (b) (7)(C)
Print Name:	(b)(6), (b) (7)(C)
Title:	President
Date:	6/30/2010



**CITY OF DETROIT**  
**AMENDMENT AGREEMENT NO. 1**  
**TO**  
**CONTRACT NO. 2821494**

**THIS AMENDMENT AGREEMENT NO. 1** is entered into by and between the City of Detroit, a Michigan municipal corporation, acting by and through its Information Technology Services Department ("City"), and FutureNet Group, a Michigan Corporation, with its principal place of business located at 12801 Auburn Street, Detroit, Michigan 48223 ("Contractor").

**WHEREAS**, the *City* has engaged the *Contractor* to provide certain services ("*Services*") to the *City*; and

**WHEREAS**, the *City* and the *Contractor* have entered into a *Contract* reflecting the terms and conditions governing the subject engagement; and

**WHEREAS**, Article 17 of the *Contract* permits the parties to amend the *Contract* by mutual agreement; and

**WHEREAS**, it is the mutual desire of the parties to enter into this *Amendment* to amend the *Contract* to extend the term of the *Contract* and to provide increased compensation to pay for *Services* performed pursuant to the extension of the *Contract*.

**NOW THEREFORE**, in consideration of the foregoing, and the benefits to accrue to the parties and to the public from this *Amendment*, the parties agree that this *Contract* is amended as follows:

**I. AMENDMENT TO ARTICLE 7, COMPENSATION**

**1.01** Section 7.01 of the *Contract* is amended by deleting the existing language and by substituting the following language in its place.

Compensation for *Services* provided shall not exceed the total amount of FIVE MILLION EIGHT HUNDRED NINETY THOUSAND AND NO/100 DOLLARS

(\$5,890,000.00) for the term of the *Contract*, inclusive of expenses, which will be paid in the manner set forth in *Exhibit B*. Unless this *Contract* is amended pursuant to Section 16, this amount shall be the entire compensation to which the *Contractor* is entitled for the performance of the *Services* under this *Contract*.

## **II. AMENDMENT TO EXHIBIT B -- FEE SCHEDULE**

- 2.01** Subsection (a) of Section **I. General** of *Exhibit B* is amended by deleting the existing language and by substituting the following language in its place.

The *City* shall pay the *Contractor* a total amount not to exceed FIVE MILLION EIGHT HUNDRED NINETY THOUSAND AND NO/100 DOLLARS (\$5,890,000.00) for the term of the *Contract*, inclusive of expenses, for *Services* performed pursuant to the *Contract*.

## **IV. EFFECT OF AMENDED TERMS ON THE REMAINING PROVISIONS OF THE CONTRACT**

- 4.01** With the exception of the provisions of the *Contract* specifically contained in this *Amendment*, all other terms, conditions and covenants contained in the *Contract* shall remain in full force and effect and as set forth in the *Contract*.

## **V. PAYMENT AUTHORIZATION**

- 5.01** The Finance Director of the *City* shall not authorize any payment pursuant to this Amendment until the Amendment has been approved by resolution of the *Detroit City Council*, all appropriate departmental approvals have been obtained and this *Amendment* has been executed by the Purchasing Director for the *City*.

\*\*\*\*\*

## SIGNATURE PAGE

IN WITNESS WHEREOF, the *City* and the *Contractor*, by and through their duly authorized officers and representatives, have executed this *Contract* as of the dates of their respective signatures:

### WITNESSES:

1.

(b)(6), (b) (7)(C)

(Print Name)

2.

(b)(6), (b) (7)(C)

(Signature)

(b)(6), (b) (7)(C)

(Print Name)

### CONTRACTOR:

BY:

(b)(6), (b) (7)(C)

(Signature)

(b)(6), (b) (7)(C)

(Print Name)

ITS:

Vice President

(Title)

### WITNESSES:

1.

(b)(6), (b) (7)(C)

(b)(6), (b) (7)(C)

(Print Name)

2.

(b)(6), (b) (7)(C)

(Print Name)

### CITY OF DETROIT INFORMATION TECHNOLOGY SERVICES DEPARTMENT

BY:

(b)(6), (b) (7)(C)

(Print Name)

ITS:

Deputy Director

(Title)

THIS CONTRACT WAS APPROVED BY LAW DEPARTMENT BY THE CITY COUNCIL ON  
PURSUANT TO §6-406 OF THE CHARTER OF THE CITY OF DETROIT JAN 18 2012

(b)(6), (b) (7)(C)

Purchasing Director

Date

1-25-12

(b)(6), (b) (7)(C)

Corporation Counsel

Date

11-1-11

THIS CONTRACT IS NOT VALID OR AUTHORIZED UNTIL APPROVED BY RESOLUTION OF  
THE CITY COUNCIL AND SIGNED BY THE PURCHASING DIRECTOR.

CITY ACKNOWLEDGMENT

STATE OF Michigan )  
 )SS.

COUNTY  
OF Wayne )

The foregoing contract was acknowledged before me the 19 day of October 2011,  
by (b)(6), (b) (7) (C)

(name of person who signed the contract)

the Deputy Director

(title of person who signed the contract as it appears on the contract)

of Information Technology Services Department

(complete name of City department)

on behalf of the City.

Notary Public, Wayne County,

State of Michigan

My commission  
expires: 4/14/2018

CHAUNCEY N. SAMUEL  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF MACOMB  
MY COMMISSION EXPIRES Apr 14, 2018  
ACTING IN COUNTY OF Wayne

CORPORATE ACKNOWLEDGMENT

STATE OF Michigan

COUNTY OF Oakland )SS.

The foregoing contract was acknowledged before me the 17 day of October, 2011,

by (b)(6), (b) (7)(C)

(name of person who signed the contract)

the Vice President

(title of person who signed the contract as it appears on the contract)

of FutureNet Group, Inc.

(complete name of the corporation)

on behalf of the Corporation.

(b)(6), (b) (7)(C)

Notary Public, County of Oakland

State of Michigan

My commission expires: 3/26/2014

PLEASE NOTE THAT THE PERSON WHO SIGNS THE CONTRACT ON BEHALF OF YOUR ENTITY MUST BE ONE OF THE INDIVIDUALS LISTED BELOW AS A PERSON AUTHORIZED TO EXECUTE CONTRACTS IN THE NAME OF AND ON BEHALF OF THE ENTITY.

**RESOLUTION OF CORPORATE AUTHORITY**

I, (b)(6), (b) (7)(C), Corporate Secretary of

(name of corporate secretary)

FutureNet Group Inc

(complete name of corporation)

, a

Michigan

(State of Incorporation)

corporation (the "Company"), **DO HEREBY CERTIFY** that the (non-profit or for profit) following is a true and correct excerpt from the minutes of the meeting of the Board of Directors duly called and held on

January 1, 2011  
(date of meeting)

, and that the same is now in full force and effect:

"**RESOLVED**, that the Chairman, the President, each Vice President, the Treasurer, and the Secretary and each of them, is authorized to execute and deliver, in the name of and on behalf of the Company and under its corporate seal or otherwise, any agreement or other instrument or document ("Contract") in connection with any matter or transaction that shall have been duly approved; and the execution and delivery of any Contract by any of the aforementioned officers shall be conclusive evidence of such approval."

**FURTHER, I CERTIFY** that

(b)(6), (b) (7)(C)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

is Chairman,  
is President,  
is (are) Vice President(s),  
is Treasurer,  
is Secretary,  
is Executive Director, and  
is \_\_\_\_\_

**FURTHER, I CERTIFY** that any of the aforementioned officers or employees of the Company are authorized to execute and commit the Company to the conditions, obligations, stipulations and undertakings contained in the contract (number 2821494) between the City and the above-referenced corporation and that all necessary corporate approvals have been obtained in relationship thereto.

**IN WITNESS THEREOF**, I have set my hand this

17 day of October, 2011.

(b)(6), (b) (7)(C)

\_\_\_\_\_  
Corporation Secretary

\_\_\_\_\_  
CORPORATE SEAL

(if any)

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# CITY OF DETROIT

## PROFESSIONAL SERVICES CONTRACT

**This Professional Services Contract ("Contract")** is entered into by and between the City of Detroit, a Michigan municipal corporation, acting by and through its Information Technology Services Department ("City"), and Futurenet Group, Inc., a Michigan Corporation, with its principal place of business located at 1280 Auburn Street, Detroit, Michigan 48223 ("**Contractor**").

### Recitals:

Whereas, the *City* desires to engage the *Contractor* to render certain technical or professional services ("**Services**") as set forth in this *Contract*; and

Whereas, the *Contractor* desires to perform the *Services* as set forth in this *Contract*; and

Accordingly, the parties agree as follows:

### Article 1.

#### Definitions

1.01 The following words and expressions or pronouns used in their stead shall be construed as follows:

"*Additional Services*" shall mean any services in addition to the services set forth in *Exhibit A* that are related to fulfilling the objectives of this *Contract* and are agreed upon by the parties by written *Amendment*.

"*Amendment*" shall mean modifications or changes in this *Contract* that have been mutually agreed upon by the *City* and the *Contractor* in writing and approved by the *City Council*.

"*Associates*" shall mean the personnel, employees, consultants, subcontractors, agents, and parent company of the *Contractor* or of any *Subcontractor*, now existing or subsequently created, and their agents and employees, and any entities associated,

affiliated, or subsidiary to the *Contractor* or to any subcontractor, now existing or subsequently created, and their agents and employees.

"*City*" shall mean the *City of Detroit*, a municipal corporation, acting through the office or department named in the *Contract* as contracting for the *Services* on behalf of the City.

"*City Council*" shall mean the legislative body of the *City of Detroit*.

"*Contract*" shall mean each of the various provisions and parts of this document, including all attached *Exhibits* and all *Amendments*, as executed and approved by the appropriate *City* departments or offices and by the *City Council*.

"*Contractor*" shall mean the party that contracts with the *City* by way of this *Contract*, whether an individual, sole proprietorship, partnership, corporation, or other form of business organization, and its heirs, successors, personnel, agents, employees, representatives, executors, administrators and assigns.

"*Exhibit A*" is the *Scope of Services* for this *Contract* and sets forth all pertinent data relating to performance of the *Services*.

"*Exhibit B*" is the *Fee Schedule* for this *Contract* and sets forth the amount of compensation to be paid to the *Contractor*, including any *Reimbursable Expenses*, and any applicable hourly rate information.

"*Records*" shall mean all books, ledgers, journals, accounts, documents, and other collected data in which information is kept regarding the performance of this *Contract*.

"*Reimbursable Expenses*" shall mean only those costs incurred by the *Contractor* in the performance of the *Services*, such as travel costs and document reproduction costs, that are identified in *Exhibit B* as reimbursable.

"*Services*" shall mean all work that is expressly set forth in *Exhibit A*, the *Scope of Services*, and all work expressly or impliedly required to be performed by the *Contractor* in order to achieve the objectives of this *Contract*.

"*Subcontractor*" shall mean any person, firm or corporation, other than employees of the *Contractor*, that contracts with the *Contractor*, directly or indirectly, to perform in part or assist the *Contractor* in achieving the objectives of this *Contract*.

"*Technology*" shall mean any and all computer-related components and systems, including but not limited to computer software, computer code, computer programs, computer hardware, embedded integrated circuits, computer memory and data storage

systems, whether in the form of read-only memory chips, random access memory chips, CD-ROMs, floppy disks, magnetic tape, or some other form, and the data retained or stored in said computer memory and data storage systems.

"*Unauthorized Acts*" shall mean any acts by a *City* employee, agent or representative that are not set forth in this *Contract* and have not been approved by *City Council* as part of this *Contract*.

"*Work Product*" shall mean the originals, or copies when originals are unavailable, of all materials prepared by the *Contractor* under this *Contract* or in anticipation of this *Contract*, including but not limited to *Technology*, data, studies, briefs, drawings, maps, models, photographs, files, records, computer printouts, estimates, memoranda, computations, papers, supplies, notes, recordings, and videotapes, whether such materials are reduced to writing, magnetically or optically stored, or kept in some other form.

## **Article 2.**

### **Engagement of Contractor**

- 2.01 By this *Contract*, the *City* engages the *Contractor* and the *Contractor* hereby agrees to faithfully and diligently perform the *Services* set forth in *Exhibit A*, in accordance with the terms and conditions contained in this *Contract*.
- 2.02 The *Contractor* shall perform in a satisfactory manner as shall be determined within the sole and reasonable discretion of the *City*. In the event that there shall be any dispute between the parties with regard to the extent, character and progress of the *Services* to be performed or the quality of performance under this *Contract*, the interpretation and determination of the *City* shall govern.
- 2.03 The *Contractor* shall confer as necessary and cooperate with the *City* in order that the *Services* may proceed in an efficient and satisfactory manner. The *Services* are deemed to include all conferences, consultations and public hearings or appearances deemed necessary by the *City* to ensure that the *Contractor* will be able to properly and fully perform the objectives as set forth in this *Contract*.
- 2.04 All *Services* are subject to review and approval of the *City* for completeness and fulfillment of the requirements of this *Contract*. Neither the *City's* review, approval nor payment for any of the *Services* shall be construed to operate as a waiver of any rights under this *Contract*, and the *Contractor* shall be and will remain liable in accordance with applicable law for all damages to the *City* caused by the *Contractor's* negligent performance or nonperformance of any of the *Services* furnished under this *Contract*.

- 2.05 The *Services* shall be performed as set forth in *Exhibit A*, or at such other locations as are deemed appropriate by the *City* and the *Contractor* for the proper performance of the *Services*.
- 2.06 The *City* and the *Contractor* expressly acknowledge their mutual understanding and agreement that there are no third party beneficiaries to this *Contract* and that this *Contract* shall not be construed to benefit any persons other than the *City* and the *Contractor*.
- 2.07 It is understood that this *Contract* is not an exclusive services contract, that during the term of this *Contract* the *City* may contract with other firms, and that the *Contractor* is free to render the same or similar services to other clients, provided the rendering of such services does not affect the *Contractor's* obligations to the *City* in any way.

### **Article 3.**

#### **Contractor's Representations and Warranties**

- 3.01 To induce the *City* to enter into this *Contract*, the *Contractor* represents and warrants that the *Contractor* is authorized to do business under the laws of the State of Michigan and is duly qualified to perform the *Services* as set forth in this *Contract*, and that the execution of this *Contract* is within the *Contractor's* authorized powers and is not in contravention of federal, state or local law.
- 3.02 The *Contractor* makes the following representations and warranties as to any Technology it may provide under this *Contract*:
- (a) That all *Technology* provided to the *City* under this *Contract* shall perform according to the specifications and representations set forth in *Exhibit A* and according to any other specifications and representations, including any manuals, provided by the *Contractor* to the *City*;
  - (b) That the *Contractor* shall correct all errors in the *Technology* provided under this *Contract* so that such technology will perform according to *Contractor's* published specifications;
  - (c) That the *Contractor* has the full right and power to grant the *City* a license to use the *Technology* provided pursuant to this *Contract*;
  - (d) That any *Technology* provided by *Contractor* under this *Contract* is free of any software, programs or routines, commonly known as "disabling code," that are

designed to cause such *Technology* to be destroyed, damaged, or otherwise made inoperable in the course of the use of the *Technology*;

- (e) That any *Technology* containing computer code and provided under this *Contract* is free of any known or reasonably discoverable computer program, code or set of instructions, commonly known as a "computer virus," that is not designed to be a part of the *Work Product* and that, when inserted into the computer's memory: (i) duplicates all or part of itself without specific user instructions to do so, or (ii) erases, alters or renders unusable any *Technology* with or without specific user instructions to do so, or (iii) that provide unauthorized access to the *Technology*; and
- (f) That all *Technology* shall be delivered new and in original manufacturer's packaging and shall be fully warranted for repair or replacement during the term of this *Contract* as amended or extended.
- (g) That any *Technology* that it is provided to the *City* shall:
  - (1) Accurately recognize and process all time and date data including, but not limited to, daylight savings time and leap year data, and
  - (2) Use accurate same-century, multi-century, and similar date value formulas in its calculations, and use date data interface values that accurately reflect the correct time, date and century.

#### **Article 4.**

##### **Contract Effective Date and Time of Performance**

- 4.01 This *Contract* shall be approved by the required City departments, approved by the *City Council*, and signed by the *City's* Purchasing Director. The effective date of this *Contract* shall be the date upon which the *Contract* has been authorized by resolution of the *City Council*.
- 4.02 Prior to the approvals set forth in Section 4.01, the *Contractor* shall have no authority to begin work on this *Contract*. The Finance Director shall not authorize any payments to the *Contractor*, nor shall the *City* incur any liability to pay for any services rendered or to reimburse the *Contractor* for any expenditure, prior to such award and approvals.
- 4.03 The *City* and the *Contractor* agree that the commencement and duration of the *Contractor's* performance under this *Contract* shall be determined as set forth in *Exhibit A*.

## **Article 5.**

### **Data To Be Furnished Contractor**

- 5.01 Copies of all information, reports, records, and data as are existing, available, and deemed necessary by the *City* for the performance of the *Services* shall be furnished to the *Contractor* upon the Contractor's request. With the prior approval of the *City*, the *Contractor* will be permitted access to *City* offices during regular business hours to obtain any necessary data. In addition, the *City* will schedule appropriate conferences at convenient times with administrative personnel of the *City* for the purpose of gathering such data.

## **Article 6.**

### **Contractor Personnel and Contract Administration**

- 6.01 The *Contractor* represents that, at its own expense, it has obtained or will obtain all personnel and equipment required to perform the *Services*. It warrants that all such personnel are qualified and possess the requisite licenses or other such legal qualifications to perform the services assigned. If requested, the *Contractor* shall supply a résumé of the managerial staff or consultants it proposes to assign to this *Contract*, as well as a dossier on the *Contractor's* professional activities and major undertakings.
- 6.02 The *City* may interview the *Contractor's* managerial staff and other employees assigned to this *Contract*. The *Contractor* shall not use any managerial staff or other employees to whom the *City* objects and shall replace in an expedient manner those rejected by the *City*. The *Contractor* shall not replace any of the personnel working on this *Contract* with new personnel without the prior written consent of the *City*.
- 6.03 When the *City* deems it reasonable to do so, it may assign qualified *City* employees or others to work with the *Contractor* to complete the *Services*. Nevertheless, it is expressly understood and agreed by the parties that the *Contractor* shall remain ultimately responsible for the proper completion of the *Services*.
- 6.04 The relationship of the *Contractor* to the *City* is and shall continue to be that of an independent contractor and no liability or benefits, such as workers' compensation, pension rights or liabilities, insurance rights or liabilities, or other rights or liabilities arising out of or related to a contract for hire or employer/employee relationship shall arise or accrue to either party or either party's agent, Subcontractor or employee as a result of the performance of this *Contract*. No relationship other than that of independent contractor shall be implied between the parties or between either party's agents, employees or *Subcontractors*. The *Contractor* agrees to indemnify, defend, and hold the *City* harmless against any claim based in whole or in part on an allegation that the *Contractor* or any of its *Associates* qualify as employees of the *City*, and any related costs or expenses, including but not limited to legal fees and defense costs.

- 6.05 The *Contractor* warrants and represents that all persons assigned to the performance of this *Contract* shall be regular employees or independent contractors of the *Contractor*, unless otherwise authorized by the *City*. The *Contractor's* employees' daily working hours while working in or about a *City of Detroit* facility shall be the same as those worked by *City* employees working in the facility, unless otherwise directed by the *City*.
- 6.06 The *Contractor* shall comply with and shall require its *Associates* to comply with all security regulations and procedures in effect on the *City's* premises.

## Article 7. Compensation

- 7.01 Compensation for *Services* provided shall not exceed the amount of **Three Million Five Hundred Thousand and 00/100 Dollars (\$3,500,000.00)**, inclusive of expenses, and will be paid in the manner set forth in *Exhibit B*. Unless this *Contract* is amended pursuant to Article 16, this amount shall be the entire compensation to which the *Contractor* is entitled for the performance of *Services* under this *Contract*.
- 7.02 Payment for *Services* provided under this *Contract* is governed by the terms of Ordinance No. 42-98, entitled "Prompt Payment of Vendors," being Sections 18-5-71 through 18-5-79 of the 1984 Detroit City Code.

The *City* employee responsible for accepting performance under this *Contract* is:

Name	(b)(6), (b) (7)(C)
Title	Deputy Director
Address	2 Woodward Avenue, Ste. #526
City, State and Zip Code	Detroit, Michigan 48226
Telephone:	(b)(6), (b) (7)(C)
Facsimile	(313) 224-2021

The *City* employee from whom payment should be requested is:

Name	(b)(6), (b) (7)(C)
Title	Contracts Administrator
Address	2 Woodward Avenue, Ste. #526
City, State and Zip Code	Detroit, Michigan 48226
Telephone:	(b)(6), (b) (7)(C)
Facsimile	(313) 224-2021
Email Address	(b)(6), @detroitmi.gov

## Article 8.

### Maintenance and Audit of Records

- 8.01 The *Contractor* shall maintain full and complete *Records* reflecting all of its operations related to this *Contract*. The *Records* shall be kept in accordance with generally accepted accounting principles and maintained for a minimum of three (3) years after the *Contract* completion date.
- 8.02 The *City* and any government-grantor agency providing funding under this *Contract* shall have the right at any time without notice to examine and audit all *Records* and other supporting data of the *Contractor* as the *City* or any agency deems necessary.
- (a) The *Contractor* shall make all *Records* available for examination during normal business hours at its Detroit offices, if any, or alternatively at its facility nearest Detroit. The *City* and any government-grantor agency providing funds for the *Contract* shall have this right of inspection. The *Contractor* shall provide copies of all *Records* to the *City* or to any such government-grantor agency upon request.



- (b) If in the course of such inspection the representative of the *City* or of another government-grantor agency should note any deficiencies in the performance of the *Contractor's* agreed upon performance or record-keeping practices, such deficiencies will be reported to the *Contractor* in writing. The *Contractor* agrees to promptly remedy and correct any such reported deficiencies within ten (10) days of notification.

## **Article 9.**

### **Indemnity**

9.01 The *Contractor* agrees to indemnify, defend, and hold the *City* harmless against and from any and all liabilities, obligations, damages, penalties, claims, costs, charges, losses and expenses (including, without limitation, fees and expenses for attorneys, expert witnesses and other consultants) that may be imposed upon, incurred by, or asserted against the *City* or its departments, officers, employees, or agents by reason of any of the following occurring during the term of this *Contract*:

- (a) Any negligent or tortious act, error, or omission attributable in whole or in part to the *Contractor* or any of its *Associates*; and
- (b) Any failure by the *Contractor* or any of its *Associates* to perform their obligations, either express or implied, under this *Contract*; and
- (c) Any and all injury to the person or property of an employee of the *City* where such injury arises out of the *Contractor's* or any of its *Associates* performance of this *Contract*.

9.02 The *Contractor* shall examine all places where it will perform the *Services* in order to determine whether such places are safe for the performance of the *Services*. The *Contractor* undertakes and assumes all risk of dangerous conditions when not performing *Services* inside *City* offices. The *Contractor* also agrees to waive and release any claim or liability against the *City* for personal injury or property damage sustained by it or its *Associates* while performing under this *Contract* on premises that are not owned by the *City*.

9.03 In the event any action shall be brought against the *City* by reason of any claim covered under this Article 9, the *Contractor*, upon notice from the *City*, shall at its sole cost and expense defend the same.

9.04 The *Contractor* agrees that it is the *Contractor's* responsibility and not the responsibility of the *City* to safeguard the property that the *Contractor* or its *Associates* use while performing this *Contract*. Further, the *Contractor* agrees to hold the *City* harmless for any loss of such property used by any such person pursuant to the *Contractor's*

performance under this *Contract*.

9.05 The indemnification obligation under this Article 9 shall not be limited by any limitation on the amount or type of damages, compensation, or benefits payable under workers' compensation acts or other employee benefit acts.

9.06 The *Contractor* agrees that this Article 9 shall apply to all claims, whether litigated or not, that may occur or arise between the *Contractor* or its *Associates* and the *City* and agrees to indemnify, defend and hold the *City* harmless against any such claims.

## **Article 10.**

### **Insurance**

10.01 During the term of this *Contract*, the *Contractor* shall maintain the following insurance, at a minimum and at its expense:

<u>TYPE</u>	<u>AMOUNT NOT LESS THAN</u>
(a) Workers' Compensation	Michigan Statutory minimum
(b) Employers' Liability	\$500,000.00 minimum each disease \$500,000.00 minimum each person \$500,000.00 minimum each accident
(c) Commercial General Liability Insurance (Broad Form Comprehensive)	\$1,000,000.00 each occurrence \$2,000,000.00 aggregate
(d) Automobile Liability Insurance (covering all owned, hired and non-owned vehicles with personal and property protection insurance, including residual liability insurance under Michigan no fault insurance law)	\$1,000,000.00 combined single limit for bodily injury and property damage

10.02 The commercial general liability insurance policy shall include an endorsement naming the "*City of Detroit*" as an additional insured. The additional insured endorsement shall provide coverage to the additional insured with respect to liability arising out of the named insured's ongoing work or operations performed for the additional insured under the terms of this *Contract*. The commercial general liability policy shall state that the

*Contractor's* insurance is primary and not excess over any insurance already carried by the City of Detroit and shall provide blanket contractual liability insurance for all written contracts.

- 10.03 Each such policy shall contain the following cross-liability wording: "In the event of a claim being made hereunder by one insured for which another insured is or may be liable, then this policy shall cover such insured against whom a claim is or may be made in the same manner as if separate policies had been issued to each insured hereunder."
- 10.04 All insurance required by this *Contract* shall be written on an occurrence-based policy form, if the same is commercially available.
- 10.05 The Commercial General Liability policy shall be endorsed to have the general aggregate apply to the Services provided under this *Contract* only.
- 10.06 If during the term of this *Contract* changed conditions or other pertinent factors should, in the reasonable judgment of the *City*, render inadequate the insurance limits, the *Contractor* shall furnish on demand such additional coverage or types of coverage as may reasonably be required under the circumstances. All such insurance shall be effected at the *Contractor's* expense, under valid and enforceable policies, issued by insurers licensed to conduct business in Michigan and are otherwise acceptable to the *City*.
- 10.07 All insurance policies shall name the *Contractor* as the insured and shall provide a commitment from the insurer that such policies shall not be canceled or reduced without at least thirty (30) days prior written notice to the *City*. Certificates of insurance evidencing the coverage required by this Article 10 shall, in a form acceptable to the *City*, be submitted to the *City* prior to the commencement of the *Services* and at least fifteen (15) days prior to the expiration dates of expiring policies.
- 10.08 If any work is sublet in connection with this *Contract*, the *Contractor* shall require each *Subcontractor* to effect and maintain the types and limits of insurance set forth in this Article 10 and shall require documentation of same, copies of which documentation shall be promptly furnished the *City*.
- 10.09 The *Contractor* shall be responsible for payment of all deductibles contained in any insurance required under this *Contract*. The provisions requiring the *Contractor* to carry the insurance required under this Article 10 shall not be construed in any manner as waiving or restricting the liability of the *Contractor* under this *Contract*.

## Article 11.

### Default and Termination

11.01 This *Contract* shall remain in full force and effect until the end of its term unless otherwise terminated for cause or convenience according to the provisions of this Article 11.

11.02 The *City* reserves the right to terminate this *Contract* for cause. Cause is an event of default.

(a) An event of default shall occur if there is a material breach of this *Contract*, and shall include the following:

- (1) The *Contractor* fails to begin work in accordance with the terms of this *Contract*; or
- (2) The *Contractor*, in the judgment of the *City*, is unnecessarily, unreasonably, or willfully delaying the performance and completion of the *Work Product* or *Services*; or
- (3) The *Contractor* ceases to perform under the *Contract*; or
- (4) The *City* is of the opinion that the *Services* cannot be completed within the time provided and that the delay is attributable to conditions within the *Contractor's* control; or
- (5) The *Contractor*, without just cause, reduces its work force on this *Contract* to a number that would be insufficient, in the judgment of the *City*, to complete the *Services* within a reasonable time, and the *Contractor* fails to sufficiently increase such work force when directed to do so by the *City*; or
- (6) The *Contractor* assigns, transfers, conveys or otherwise disposes of this *Contract* in whole or in part without prior approval of the *City*; or
- (7) Any *City* officer or employee acquires an interest in this *Contract* so as to create a conflict of interest; or
- (8) The *Contractor* violates any of the provisions of this *Contract*, or disregards applicable laws, ordinances, permits, licenses, instructions or

orders of the *City*; or

- (9) The performance of the *Contract*, in the sole judgment of the *City*, is substandard, unprofessional, or faulty and not adequate to the demands of the task to be performed; or
  - (10) The *Contractor* fails in any of the agreements set forth in this *Contract*; or
  - (11) The *Contractor* ceases to conduct business in the normal course; or
  - (12) The *Contractor* admits its inability to pay its debts generally as they become due.
- (b) If the *City* finds an event of default has occurred, the *City* may issue a Notice of Termination for Cause setting forth the grounds for terminating the *Contract*. Upon receiving a Notice of Termination for Cause, the *Contractor* shall have ten (10) calendar days within which to cure such default. If the default is cured within said ten (10) day period, the right of termination for such default shall cease. If the default is not cured to the satisfaction of the *City*, this *Contract* shall terminate on the thirtieth calendar day after the *Contractor's* receipt of the Notice of Termination for Cause, unless the *City*, in writing, gives the *Contractor* additional time to cure the default. If the default is not cured to the satisfaction of the *City* within the additional time allowed for cure, this *Contract* shall terminate for cause at the end of the extended cure period.
- (c) If, after issuing a Notice of Termination for Cause, the *City* determines that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the Notice of Termination had been issued as a Notice of Termination for Convenience. Alternatively, in the *City's* discretion, the Notice of Termination for Cause may be withdrawn and the *Contract*, if terminated, may be reinstated.
- (d) The *Contractor* shall be liable to the *City* for any damages it sustains by virtue of the Contractor's breach or any reasonable costs the *City* might incur in enforcing or attempting to enforce this *Contract*. Such costs shall include reasonable fees and expenses for attorneys, expert witnesses and other consultants. However, if the *Contractor* makes a written offer prior to the initiation of litigation or

arbitration, then the *City* shall not be entitled to such attorney fees unless the *City* declines the offer and obtains a verdict or judgment for an amount more than ten percent (10%) above the amount of the *Contractor's* last written offer prior to the initiation of litigation or arbitration. The *City* may withhold any payment(s) to the *Contractor*, in an amount not to exceed the amount claimed in good faith by the *City* to represent its damages, for the purpose of setoff until such time as the exact amount of damages due to the *City* from the *Contractor* is determined. It is expressly understood that the *Contractor* shall remain liable for any damages the *City* sustains in excess of any setoff.

- (e) The *City's* remedies outlined in this Article 11 shall be in addition to any and all other legal or equitable remedies permissible.

11.03 The *City* shall have the right to terminate this *Contract* at any time at its convenience by giving the *Contractor* five (5) business days written Notice of Termination for Convenience. As of the effective date of the termination, the *City* will be obligated to pay the *Contractor* the following: (a) the fees or commissions for *Services* completed and accepted in accordance with *Exhibit A* in the amounts provided for in *Exhibit B*; (b) the fees for *Services* performed but not completed prior to the date of termination in accordance with *Exhibit A* in the amounts set forth in the *Contractor's* rate schedule as provided in *Exhibit B*; and (c) the *Contractor's* costs and expenses incurred prior to the date of the termination for items that are identified in *Exhibit B*. The amount due to the *Contractor* shall be reduced by payments already paid to the *Contractor* by the *City*. In no event shall the *City* pay the *Contractor* more than maximum price, if one is stated, of this *Contract*.

11.04 After receiving a Notice of Termination for Cause or Convenience and except as otherwise directed by the *City*, the *Contractor* shall:

- (a) Stop work under the *Contract* on the date and to the extent specified in the Notice of Termination;
- (b) Obligate no additional *Contract* funds for payroll costs and other costs beyond such date as the *City* shall specify, and place no further orders on subcontracts for

material, services, or facilities, except as may be necessary for completion of such portion of the *Services* under this *Contract* as is not terminated;

- (c) Terminate all orders and subcontracts to the extent that they relate to the portion of the *Services* terminated pursuant to the Notice of Termination;
- (d) Preserve all Records and submit to the *City* such *Records* and reports as the *City* shall specify, and furnish to the *City* an inventory of all furnishings, equipment, and other property purchased for the *Contract*, if any, and carry out such directives as the *City* may issue concerning the safeguarding or disposition of files and property; and
- (e) Submit within thirty (30) days a final report of receipts and expenditures of funds relating to this *Contract*, and a list of all creditors, *Subcontractors*, lessors and other parties, if any, to whom the *Contractor* has become financially obligated pursuant to this *Contract*.

11.05 After termination of the *Contract*, each party shall have the duty to assist the other party in the orderly termination of this *Contract* and the transfer of all rights and duties arising under the *Contract*, as may be necessary for the orderly, un-disrupted continuation of the business of each party.

## **Article 12.**

### **Assignment**

12.01 The *Contractor* shall not assign, transfer, convey or otherwise dispose of any interest whatsoever in this *Contract* without the prior written consent of the *City*; however, claims for money due or to become due to the *Contractor* may be assigned to a financial institution without such approval. Notice of any assignment to a financial institution or transfer of such claims of money due or to become due shall be furnished promptly to the *City*. If the *Contractor* assigns all or any part of any monies due or to become due under this *Contract*, the instrument of assignment shall contain a clause stating that the right of the assignee to any monies due or to become due shall be subject to prior liens of all persons, firms, and corporations for *Services* rendered or materials supplied for the performance of the *Services* called for in this *Contract*.

## **Article 13.**

### **Subcontracting**

- 13.01 None of the *Services* covered by this *Contract* shall be subcontracted without the prior written approval of the *City* and, if required, any grantor agency. The *City* reserves the right to withhold approval of subcontracting such portions of the *Services* where the *City* determines that such subcontracting is not in the *City's* best interests.
- 13.02 Each subcontract entered into shall provide that the provisions of this *Contract* shall apply to the *Subcontractor* and its *Associates* in all respects. The *Contractor* agrees to bind each *Subcontractor* and each *Subcontractor* shall agree to be bound by the terms of the *Contract* insofar as applicable to the work or services performed by that *Subcontractor*.
- 13.03 The *Contractor* and the *Subcontractor* jointly and severally agree that no approval by the *City* of any proposed *Subcontractor*, nor any subcontract, nor anything in the *Contract*, shall create or be deemed to create any rights in favor of a *Subcontractor* and against the *City*, nor shall it be deemed or construed to impose upon the *City* any obligation, liability or duty to a *Subcontractor*, or to create any contractual relation whatsoever between a *Subcontractor* and the *City*.
- 13.04 The provisions contained in this Article 13 shall apply to subcontracting by a *Subcontractor* of any portion of the work or services included in an approved subcontract.
- 13.05 The *Contractor* agrees to indemnify, defend, and hold the *City* harmless against any claims initiated against the *City* pursuant to any subcontracts the *Contractor* enters into in performance of this *Contract*. The *City's* approval of any *Subcontractor* shall not relieve the *Contractor* of any of its responsibilities, duties and liabilities under this *Contract*. The *Contractor* shall be solely responsible to the *City* for the acts or defaults of its *Subcontractors* and of each *Subcontractor's Associates*, each of whom shall for this purpose be deemed to be the agent or employee of the *Contractor*.

#### **Article 14.**

##### **Conflict of Interest**

- 14.01 The *Contractor* covenants that it presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the



performance of the Services under this *Contract*. The *Contractor* further covenants that in the performance of this *Contract* no person having any such interest shall be employed by it.

14.02 The *Contractor* further covenants that no officer, agent, or employee of the *City* and no other public official who exercises any functions or responsibilities in the review or approval of the undertaking or performance of this *Contract* has any personal or financial interest, direct or indirect, in this *Contract* or in its proceeds, whether such interest arises by way of a corporate entity, partnership, or otherwise.

14.03 The *Contractor* warrants (a) that it has not employed and will not employ any person to solicit or secure this *Contract* upon any agreement or arrangement for payment of a commission, percentage, brokerage fee, or contingent fee, other than bona fide employees working solely for the *Contractor* either directly or indirectly, and (b) that if this warranty is breached, the *City* may, at its option, terminate this *Contract* without penalty, liability or obligation, or may, at its option, deduct from any amounts owed to the *Contractor* under this *Contract* any portion of any such commission, percentage, brokerage, or contingent fee.

14.04 The *Contractor* covenants not to employ an employee of the *City* for a period of one (1) year after the date of termination of this *Contract* without written *City* approval.

## **Article 15.**

### **Confidential Information**

15.01 In order that the *Contractor* may effectively fulfill its covenants and obligations under this *Contract*, it may be necessary or desirable for the *City* to disclose confidential and proprietary information to the *Contractor* or its *Associates* pertaining to the *City's* past, present and future activities. Since it is difficult to separate confidential and proprietary information from that which is not, the *Contractor* shall regard, and shall instruct its *Associates* to regard, all information gained as confidential and such information shall not be disclosed to any organization or individual without the prior consent of the *City*. The above obligation shall not apply to information already in the public domain or information required to be disclosed by a court order.

15.02 The *Contractor* agrees to take appropriate action with respect to its *Associates* to ensure that the foregoing obligations of non-use and non-disclosure of confidential information shall be fully satisfied.

#### **Article 16.**

#### **Compliance With Laws**

16.01 The *Contractor* shall comply with and shall require its *Associates* to comply with all applicable federal, state and local laws.

16.02 The *Contractor* shall hold the *City* harmless with respect to any damages arising from any violation of law by it or its *Associates*. The *Contractor* shall commit no trespass on any public or private property in performing any of the *Services* encompassed by this *Contract*. The *Contractor* shall require as part of any subcontract that the *Subcontractor* comply with all applicable laws and regulations.

#### **Article 17.**

#### **Amendments**

17.01 The *City* may consider it in its best interest to change, modify or extend a covenant, term or condition of this *Contract* or require the *Contractor* to perform *Additional Services* that are not contained within the *Scope of Services* as set forth in *Exhibit A*. Any such change, addition, deletion, extension or modification of *Services* may require that the compensation paid to the *Contractor* by the *City* be proportionately adjusted, either increased or decreased, to reflect such modification. If the *City* and the *Contractor* mutually agree to any changes or modification of this *Contract*, the modification shall be incorporated into this *Contract* by written *Amendment*.

17.02 Compensation shall not be modified unless there is a corresponding modification in the *Services* sufficient to justify such an adjustment. If there is any dispute as to compensation, the *Contractor* shall continue to perform the *Services* under this *Contract* until the dispute is resolved.

17.03 No *Amendment* to this *Contract* shall be effective and binding upon the parties unless it expressly makes reference to this *Contract*, is in writing, is signed and acknowledged by

duly authorized representatives of both parties, is approved by the appropriate *City* departments and the *City Council*, and is signed by the *Purchasing Director*.

17.04 The *City* shall not be bound by *Unauthorized Acts* of its employees, agents, or representatives with regard to any dealings with the *Contractor* and any of its *Associates*.

#### **Article 18.**

##### **Fair Employment Practices**

18.01 The *Contractor* shall comply with, and shall require any *Subcontractor* to comply with, all federal, state and local laws governing fair employment practices and equal employment opportunities.

18.02 The *Contractor* agrees that it shall, at the point in time it solicits any subcontract, notify the potential *Subcontractor* of their joint obligations relative to non-discrimination under this *Contract*, and shall include the provisions of this *Article 18* in any subcontract, as well as provide the *City* a copy of any subcontract upon request.

18.03 Breach of the terms and conditions of this Article 18 shall constitute a material breach of this *Contract* and may be governed by the provisions of *Article 11*, "*Default and Termination*."

#### **Article 19.**

##### **Notices**

19.01 All notices, consents, approvals, requests and other communications ("*Notices*") required or permitted under this *Contract* shall be given in writing, mailed by postage prepaid, certified or registered first-class mail, return receipt requested, and addressed as follows:

If to the Information Technology Services Department on behalf of the *City*:

City of Detroit

Information Technology Services Dept.

2 Woodward Avenue, Suite #526

Detroit, Michigan 48226

Attention: (b)(6), (b) (7)(C)

If to the Contractor:

Company's Name

FutureNet Group, Inc.

Address

12801 Auburn Street

City, State and Zip

Detroit, MI 48223

Phone No.

(b)(6), (b) (7)(C)

Email Address

(b)(6), (b)  
(7)(C)

@futurenetgroup.com

Attention: Mr./Mrs.

(b)(6), (b) (7)(C)

## Article 20.

### Proprietary Rights and Indemnity

20.01 The *Contractor* shall not relinquish any proprietary rights in its intellectual property (copyright, patent, and trademark), trade secrets or confidential information as a result of the Services provided under this *Contract*. Any *Work Product* provided to the *City* under this *Contract* shall not include the Contractor's proprietary rights, except to the extent licensed to the *City*.

20.02 The *City* shall not relinquish any of its proprietary rights, including, but not limited to, its data, privileged or confidential information, or methods and procedures, as a result of the *Services* provided under this *Contract*.

20.03 The parties acknowledge that should the performance of this *Contract* result in the development of new proprietary and secret concepts, methods, techniques, processes, adaptations, discoveries, improvements and ideas ("*Discoveries*"), and to the extent said *Discoveries* do not include modifications, enhancements, configurations, translations, derivative works, and interfaces from the *Contractor's* intellectual property, trade secrets or confidential information, said *Discoveries* shall be deemed "*Work(s) for Hire*" and shall be promptly reported to the *City* and shall belong solely and exclusively to the *City* without regard to their origin, and the *Contractor* shall not, other than in the performance of this *Contract*, make use of or disclose said *Discoveries* to anyone. At the *City's* request, the *Contractor* shall execute all documents and papers and shall furnish all reasonable assistance requested in order to establish in the *City* all right, title and interest in said *Discoveries* or to enable the *City* to apply for *United States* patents or copyrights for said *Discoveries*, if the *City* elects to do so.

20.04 Any *Work Product* provided by the *Contractor* to the *City* under this *Contract* shall not be disclosed, published, copyrighted or patented, in whole or in part, by the *Contractor*. The right to the copyright or patent in such *Work Product* shall rest exclusively in the *City*. Further, the *City* shall have unrestricted and exclusive authority to publish, disclose, distribute and otherwise use, in whole or in part, any of the *Work Product*. If *Work Product* is prepared for publication, it shall carry the following notation on the front cover or title page: "This document was prepared for, and is the exclusive property

of, the *City of Detroit, Michigan*, a municipal corporation."

20.05 The *Contractor* warrants that the performance of this *Contract* shall not infringe upon or violate any patent, copyright, trademark, trade secret or proprietary right of any third party. In the event of any legal action related to the above obligations of the *Contractor* filed by a third party against the *City*, the *Contractor* shall, at its sole expense, indemnify, defend and hold the *City* harmless against any loss, cost, expense or liability arising out of such claim, whether or not such claim is successful.

20.06 The making of payments, including partial payments by the *City* to the *Contractor*, shall vest in the *City* title to, and the right to take possession of, all *Work Product* produced by the *Contractor* up to the time of such payments, and the *City* shall have the right to use said *Work Product* for public purposes without further compensation to the *Contractor* or to any other person.

20.07 Upon the completion or other termination of this *Contract*, all finished or unfinished *Work Product* prepared by the *Contractor* shall, at the option of the *City*, become the *City's* sole and exclusive property whether or not in the *Contractor's* possession. Such *Work Product* shall be free from any claim or retention of rights on the part of the *Contractor* and shall promptly be delivered to the *City* upon the *City's* request. The *City* shall return all of the *Contractor's* property to it. The *Contractor* acknowledges that any intentional failure or unreasonable delay on its part to deliver the *Work Product* to the *City* will cause irreparable harm to the *City* not adequately compensable in damages and for which the *City* has no adequate remedy at law. The *Contractor* accordingly agrees that the *City* may in such event seek and obtain injunctive relief in a court of competent jurisdiction to compel delivery of the *Work Product*, to which injunctive relief the *Contractor* consents, as well as seek and obtain all applicable damages and costs. The *City* shall have full and unrestricted use of the *Work Product* for the purpose of completing the *Services*.

## **Article 21.**

### **Force Majeure**

21.01 No failure or delay in performance of this *Contract*, by either party, shall be deemed to be

a breach thereof when such failure or delay is caused by a force majeure event including, but not limited to, any Act of God, strikes, lockouts, wars, acts of terrorism, riots, epidemics, explosions, sabotage, breakage or accident to equipment, the binding order of any court or governmental authority, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of a party. In the event of a dispute between the parties with regard to what constitutes a force majeure event, the *City's* reasonable determination shall be controlling.

## **Article 22.**

### **Waiver**

22.01 The *City* shall not be deemed to have waived any of its rights under this *Contract* unless such waiver is in writing and signed by the *City*.

22.02 No delay or omission on the part of the *City* in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one (1) occasion shall not be construed as a waiver of any right on any future occasion.

22.03 No failure by the *City* to insist upon the strict performance of any covenant, agreement, term or condition of this *Contract* or to exercise any right, term or remedy consequent upon its breach shall constitute a waiver of such covenant, agreement, term, condition, or breach.

## **Article 23.**

### **Miscellaneous**

23.01 If any provision of this *Contract* or its application to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this *Contract* shall not be affected and shall remain valid and enforceable to the fullest extent permitted by law.

23.02 This *Contract* contains the entire agreement between the parties and all prior negotiations and agreements are merged into this *Contract*. Neither the *City* nor the *City's* agents have made any representations except those expressly set forth in this *Contract*, and no rights or remedies are, or shall be, acquired by the *Contractor* by implication or otherwise

unless expressly set forth in this *Contract*. The *Contractor* waives any defense it may have to the validity of the execution of this *Contract*.

23.03 Unless the context otherwise expressly requires, the words "herein," "hereof," and "hereunder," and other words of similar import, refer to this *Contract* as a whole and not to any particular section or subdivision.

23.04 The headings of the sections of this *Contract* are for convenience only and shall not be used to construe or interpret the scope or intent of this *Contract* or in any way affect the same.

23.05 This *Contract* and all actions arising under it shall be governed by, subject to, and construed according to the law of the *State of Michigan*. The *Contractor* agrees, consents and submits to the exclusive personal jurisdiction of any state or federal court of competent jurisdiction in *Wayne County, Michigan*, for any action arising out of this *Contract*. The *Contractor* also agrees that it shall not commence any action against the *City* because of any matter whatsoever arising out of or relating to the validity, construction, interpretation and enforcement of this *Contract* in any state or federal court of competent jurisdiction other than one in *Wayne County, Michigan*.

23.06 If any Associate of the *Contractor* shall take any action that, if done by a party, would constitute a breach of this *Contract*, the same shall be deemed a breach by the *Contractor*.

23.07 The rights and remedies set forth in this *Contract* are not exclusive and are in addition to any of the rights or remedies provided by law or equity.

23.08 For purpose of the hold harmless and indemnity provisions contained in this *Contract*, the term "*City*" shall be deemed to include the *City of Detroit* and all other associated, affiliated, allied or subsidiary entities or commissions, now existing or subsequently created, and their officers, agents, representatives, and employees.



- 23.09 The *Contractor* covenants that it is not, and shall not become, in arrears to the *City* upon any contract, debt, or other obligation to the *City* including, without limitation, real property, personal property and income taxes, and water, sewage or other utility bills.
- 23.10 This *Contract* may be executed in any number of originals, any one of which shall be deemed an accurate representation of this *Contract*. Promptly after the execution of this *Contract*, the *City* shall provide a copy to the *Contractor*.
- 23.11 As used in this *Contract*, the singular shall include the plural, the plural shall include the singular, and a reference to either gender shall be applicable to both.
- 23.12 The rights and benefits under this *Contract* shall inure to the *City of Detroit* and its agents, successors, and assigns.
- 23.13 The *City* shall have the right to recover by setoff from any payment owed to the *Contractor* all delinquent withholding, income, corporate and property taxes owed to the *City* by the *Contractor*, any amounts owed to the *City* by the *Contractor* under this *Contract* or other contracts, and any other debt owed to the *City* by the *Contractor*.

(Signatures appear on next page)

The *City* and the *Contractor*, by and through their duly authorized officers and representatives, have executed this Contract as follows:

Witnesses:

1. (b)(6), (b)(7)(C)  
Name

2. (b)(6), (b)(7)(C)  
Name

Contractor:

By: (b)(6), (b)(7)(C)  
Name

Its: President  
Title

Witnesses:

1. (b)(6), (b)(7)(C)  
Name

2. (b)(6), (b)(7)(C)  
Name

City of Detroit  
Information Technology Services  
Department:

By: (b)(6), (b)(7)(C)  
Name

Its: Deputy Director  
Title

THIS CONTRACT WAS APPROVED

BY THE CITY COUNCIL ON:

SEP 14 2010

(b)(6), (b)(7)(C)  
Purchasing Director

9-21-10  
Date

APPROVED BY LAW DEPARTMENT

PURSUANT TO § 6-406 OF THE CHARTER OF THE CITY OF DETROIT

(b)(6), (b)(7)(C)  
Corporation Counsel

7/15/10  
Date

THIS CONTRACT IS NOT VALID OR AUTHORIZED UNTIL APPROVED BY RESOLUTION  
OF THE CITY COUNCIL AND SIGNED BY THE PURCHASING DIRECTOR.

**EXHIBIT A**  
**SCOPE OF SERVICES**

**I. Notice to Proceed**

The term of this *Contract* shall begin on **July, 1 2010** and shall terminate on **June 30, 2012**. The *Contractor* shall commence performance of this *Contract* upon receipt of a written "*Notice to Proceed*" from the *City* and in the manner specified in the *Notice to Proceed*.

**II. Services to be Performed**

*Contractor* shall provide technology resources in support of information technology related projects for the *City Information Technology Services Department* as well as for other *City* agencies in accordance with the classification titles and rate structure which is attached as part of *Exhibit B*.

All *Services* shall be performed on *City* premises and managed by staffing as designated by the *City*.

**III. Retention of Contractor's Employees at Termination**

At the conclusion of this contract, whether by termination or at the end of the term, the *City* shall have the right to retain the services of any of the *Contractor's* employees who are, at that time, serving as technology resources to the *City* either as a regular *City* employee, under a *City* contract or pursuant to a contract between the *City* and another provider of temporary services.

The *Contractor* will not include in any contract between it and those persons who serve the *City* as technology resources, any term which would interfere with the *City's* right to employ them or retain their services as herein permitted.

If any such contract provision is included in any contract between the *Contractor* and its employees, the contractor will waive any right which it purportedly might have had under such a contract to limit or interfere with the right of the *City* to employ persons covered by this provision, upon request of the *City* or of such person.

**IV. Definition**

The following word and expression used in its stead shall wherever it appears in this

**EXHIBIT B**  
**FEE SCHEDULE**

**I. General**

- a) The *Contractor* shall be paid for those *Services* performed pursuant to this *Contract* a maximum amount of **Three Million Five Hundred Thousand and 00/100 Dollars (\$3,500,000.00)**, for the term of this *Contract* as set forth in *Exhibit A, Scope of Services*.
- b) Billable Hours shall be defined as that time spent by employee(s) while engaged directly in the performance of the *Services* as defined in the *Contract* and approved by the *City* or its designee.
- c) Training of *Contractor* employee(s). The *City* shall not pay for training of *Contractor's* employee(s) or be billed for any hours while *Contractor's* employee(s) is or are in training. If the *City* identifies a new skill or new knowledge that the *Contractor's* employee(s) must have in order to provide effective *Services* to the *City*, the *Contractor* will so train its employee(s) at the *Contractor's* expense. If the *City* conducts in-house training, the *Contractor's* employee(s) may attend that in-house training at the discretion of the *City* ITS manager. The *Contractor* may bill the *City* for the hours spent by *Contractor's* employee(s) attending *City*-sponsored and *City*-ITS manager approved in-house training. If *Contractor's* employee(s), who participated in *City* in-house training and whose hours for such training were billed to the *City*, are not available to provide *Services* to the *City* for at least up to two years from the date of such training or until the expiration of the *Contract*, whichever occurs first, the *Contractor* shall either; replace the unavailable employee with an employee with skills equal to, or greater than, the unavailable employee, or, provide immediate remedial training to the new employee at the *Contractor's* expense. The *Contractor* shall provide a quarterly report on *Contractor's* employee(s) who have attended *City* in-house training and indicate the name of the employee(s), the date, duration and subject mater of each training attended, and the amount of hours billed to the *City* for attending such training.

**II. Requirements for Efficient Processing of Invoices**

Invoices are to be submitted for payment on a monthly basis.

Payment for the proper performance of the *Services* shall be contingent upon receipt by the *City* of an Invoice for *Payment*. The Invoice shall certify the total cost, itemizing costs when

applicable and cover no more than one month's billing period, thirty-one (31) days maximum. The Invoices must be received by the *City* not more than thirty (30) days after the close of each calendar month in which *Services* have been performed, or not more than thirty (30) days after the *Contract* or *Contract Amendment* has been approved by *City Council* for *Services* already approved by ITS and performed by the *Contractor*, and signed by an authorized officer or designee of the *Contractor*. The Invoice will be paid upon completion of processing without interest or penalty.

### **III. New Resources and Billing Rate Increases**

These steps must be followed and apply for **all** resources under this *Contract*, whether reporting to ITS or to another *City* agency:

- a) *Contractual* Representative arranges a meeting with the *Contracts* and Administration Division that services the agency where the *Resource* is located to propose the rate increase.
- b) The *Contracts* and Administration Division will then present the request to the Agency for discussion and approvals.
- c) Once a decision is made between the *Contracts* and Administration Division and the respective Agency, then this information is communicated back to the *Contractual* Representative. If approved, a confirming letter from the using Department will be forwarded to the ITS Administration with the following information:
  - Resource name
  - Old rate
  - New rate
  - Title (from the approved 2010/2012 contract)
  - Effective Date
  - Seven-string Account number
  - Approval Signature line for the ITS Administration and using Department Head
- d) The approved request is then forwarded to the *Contracts* and Administration Division where future payments will be processed using the approved documentation.
- e) Upon completion of this process a copy of the sign Funding Authorization form will be forwarded to the vendor for their records.
- f) The *Contractor* may only submit invoices for new resources, or increase billing rates for existing resources, after having received written approval of the resource and/or billing rate from the *City* ITS Department. Either new resources or

increases in billing rates must be within the classifications identified in *Exhibit B*.

- g) No billing rate for a classification, whether the initial rate or an increased rate, shall exceed the maximum hourly rate for that classification as identified in *Exhibit B*.

#### **IV. Monthly Summary**

The Contractor should submit a monthly report of aged receivables with the following information:

- Invoice numbers
- Invoice amounts
- Date invoice was originally submitted
- Amount of any partial payments of the invoice
- Balance due on the invoice
- Date the report was prepared

This report must be submitted to the City ITS Contracts and Administration Manager. The Contractor must be prepared to submit copies of supporting documentation upon request.

Balances and other amounts should be current, as of the date the report was prepared.

#### **V. Prompt Payment of Vendors**

Payment for services provided under this *Contract* is governed by the terms of Ordinance No. 42-98 entitled "Prompt Payment of Vendor", being Sections 18-5-79 of the 1984 Detroit City Code.

The individual responsible for accepting performance and payment under this *Contract* is Janice A. Evans, ITS Manager, who may be reached at 2 Woodward Avenue, Coleman A. Young Municipal Center, Suite #526, Detroit, Michigan 48226, (313) 224-2908 (telephone) and (313) 224-2021 (facsimile).

#### **VI. Contract Issue/Problem Solving Hierarchy**

In the event of disputes or concerns over invoices, Contractor must follow this reporting hierarchy.

1. ITS Contracts and Administration Clerk
2. ITS Contract and Administration Manager
3. ITS Deputy Director and/or Director
4. ITS Group Executive in Mayor's Office

**EXHIBIT B**  
**FEE SCHEDULE**

<b>Futurenet Group, Inc.</b>	
<b>Grouping and Title</b>	<b>Maximum Hourly Rate</b>
<b>Program Management Group</b>	
Program Director	\$ 94.00
Project Manager	89.00
Team Leader	67.00
Project Assistant	67.00
<b>System Development/Implementations Group</b>	
Business Systems Analyst	\$ 55.00
Database Administrator	75.00
Network Administrator	63.00
Network Engineer	59.00
Oracle Developer/Analyst	72.00
Programmer/Analyst	68.00
Security Analyst	69.00
Technical Writer	44.00
Unix Administrator	75.00
<b>Technical Support</b>	
Desktop Support Technician	\$ 48.00
Geographic Information Systems (GIS) Technician	55.00
Help Desk Technician	44.00
System Administrator	67.00
Telecommunications Technician	47.00
<b>Information Design</b>	
Graphic Designer	\$ 54.00

## **DETROIT LIVING WAGE ORDINANCE**

### **SEC. 18-5-81. PURPOSE**

The purpose of this ordinance is to improve the lives of working people and their families by requiring employers that contract with the *City* or which receive financial assistance from the *City* for economic development or job growth to pay their employees a wage sufficient to meet basic subsistence needs, and that they utilize *Detroit* residents as employees to the extent possible.

### **SEC. 18-5-82. APPLICABILITY**

- (a) This ordinance applies to any individual, proprietorship, partnership, corporation, trust, association or other entity which is a contractor or a grantee, defined as follows:
  - (i) a contractor is a party to a contract with the *City of Detroit* primarily for the furnishing of services (as opposed to the purchasing or leasing of goods or property), where the total expenditure for such contract exceeds \$50,000.00, including any subcontractor of such contractor;
  - (ii) a grantee is the recipient of any financial assistance from the *City* in excess of \$50,000.00, including any federal grant program administered by the city, revenue bond financing, planning assistance, tax increment financing, tax credits or any other form of assistance, if the purpose of the assistance is economic development or job growth, including any contractors, subcontractors or leaseholders at the subsidized sites.
- (b) The minimum wage requirements of this ordinance shall apply with respect to any employee of a contractor or grantee who is employed either part-time or full-time at a job site covered in whole or in part by the contract, or to any employee of a grantee who is employed either part-time or full-time at any job site covered or subsidized in whole or in part under the grant of financial assistance.

### **SEC. 18-5-83. MINIMUM REQUIREMENTS**

- (a) Each contractor and grantee shall pay its employees wages which are at least equal to a living wage as defined in this ordinance.
- (b) A living wage means an hourly wage rate which on an annual basis (based on forty hours per week, fifty weeks per year) is equivalent to either of the following:



- (i) One hundred and twenty five percent (125%) of the federal poverty level; or
  - (ii) One hundred percent (100%) of the federal poverty level, if health benefits are provided to the employee. Health benefits, for purposes of this ordinance, mean fully paid, comprehensive family medical coverage.
- (c) The federal poverty level means the *United States* poverty level income guideline for a family of four, as adjusted periodically.
- (d) The *City Purchasing Department* shall adjust the living wage as necessary to incorporate changes in the federal poverty level. The *Purchasing Department* shall publish a bulletin announcing any change in the amount of the living wage, and shall inform each contractor and grantee of such changes in writing, prior to such adjustment becoming effective.
- (e) To the greatest extent feasible, a covered contractor or grantee shall attempt to fill all new positions created as a result of a contract or financial assistance with employees who are residents of the *City of Detroit*. The foregoing shall not be interpreted as [a] residency requirement; nor shall it cause any contractor or grantee to terminate, transfer, or lay off any employee who is on the payroll at the time coverage under this ordinance becomes effective for that contractor or grantee.

#### **SEC. 18-5-84. ENFORCEMENT AND PENALTIES**

- (a) Each *City* contract or grant or financial assistance shall require compliance with this ordinance. Each such contract or grant shall provide that willful or repeated violation of this ordinance will entitle the *City* to terminate the contract or grant.
- (b) Every contractor or grantee shall post in a conspicuous place on any jobsite subject to this ordinance a copy of the minimum living wage rate required under this ordinance. The *City* shall notify contractors and grantees of the minimum living wage rate, and any adjustments thereto, within a reasonable period before they become effective.
- (c) A contractor or grantee who violates the living wage requirement shall pay to each employee affected the amount of the deficiency, for each day the violation continues. Willful violation of the ordinance will result in a penalty paid to the *City* in the amount of \$50.00 per violation for each day the violation continues. The *City* may withhold from payments, grants, or financial assistance to the

employer such amounts as are necessary to effectuate the payments provided in this paragraph.

- (d) A contractor or grantee who is assessed the \$50 penalty provided above based on more than three (3) incidents within a two (2) year period shall be barred from bidding on or entering into any contracts with the *City* or from receiving any financial assistance from the *City* (as defined in Section 2(b) [sic] [Section 18-5-82(b)]<sup>1</sup>, for a period of ten (10) years from the date of the last violation. An incident for purposes of this paragraph means one payroll, payday, or date of payment, regardless of the number of employees affected by each incident.
- (e) A person affected by a violation of this ordinance may file a complaint with the [sic] *City Purchasing Department*, which will have ninety (90) days to investigate and remedy the complaint. If the complaint is not resolved to the complainant's [sic] satisfaction within the ninety day period, the complainant [sic] or his or her representative may bring an action in the *Wayne County Circuit Court* to enforce this ordinance. The court shall award reasonable attorneys fees and costs to a person who prevails in an enforcement action. This ordinance shall not be constructed [sic] to limit an employee's right to bring legal action for violation of any other minimum compensation or wage and hour law.

#### **SEC. 18-5-85. SEVERABILITY**

If any portion or provision of this ordinance is declared invalid or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

#### **SEC. 18-5-86. EFFECTIVE DATE**

This ordinance shall apply to any contract entered into and any financial assistance granted or renewed after the effective date of this ordinance. Entering into an agreement for extension of a contract for a period beyond its original term shall be considered entering into a Contract for purposes of this paragraph.

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<sup>1</sup> Editor's Note: See Section 18-5-82(a)(ii).

# **SLAVERY ERA RECORDS AND INSURANCE DISCLOSURE ORDINANCE**

## **NOTICE OF ENACTMENT OF ORDINANCE**

### **TO: THE PEOPLE OF DETROIT, MICHIGAN**

**(On June 23, 2004, the City of Detroit adopted the following Ordinance)**

**ORDINANCE NO. 20-04**

**CHAPTER 18**

**ARTICLE V**

AN ORDINANCE TO AMEND CHAPTER 18, ARTICLE V, OF THE 1984 DETROIT CITY CODE, TITLED "PURCHASES AND SUPPLIES." BY ADDING DIVISION 7. TITLED "SLAVERY ERA RECORDS AND INSURANCE DISCLOSURE." WHICH SHALL CONSIST OF SECTIONS 18-5-91 THROUGH 18-5-93, TO REQUIRE, AS PART OF THE CONTRACTING PROCESS, THAT EACH CONTRACTOR WITH WHICH THE CITY ENTERS INTO A CONTRACT SEARCH ITS RECORDS AND THOSE OF ANY PREDECESSOR ENTITY, AND SUBMIT AN AFFIDAVIT DISCLOSING ANY RECORDS WITHIN ITS POSSESSION OR KNOWLEDGE RELATING TO INVESTMENTS OR PROFITS FROM THE SLAVE INDUSTRY, INCLUDING INSURANCE POLICIES ISSUED TO SLAVE HOLDERS THAT PROVIDED COVERAGE FOR INJURY, DEATH OR OTHER LOSS RELATED TO SLAVES WHO WERE HELD DURING THE SLAVERY ERA IN THE UNITED STATES.

AN ORDINANCE to amend Chapter 18, Article V, of the 1984 Detroit City Code, titled "Purchases and Supplies." by adding Division 7. titled "Slavery Era Records and Insurance Disclosure." which shall consist of Sections 18-5-91 through 18-5-93, to require, as part of the contracting process, that each contractor with which the City enters into a contract search its records and those of any predecessor entity, and submit an affidavit disclosing any records within its possession or knowledge relation to investments or profits from the slave industry, including insurance policies issued to slave holders that provided coverage for injury, death or other loss related slaves who were held during the slavery era in the United States.

**IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT THAT:**

**Section 1.** Chapter 18, Article V, of the 1984 Detroit City Code, titled "Purchases and Supplies." by adding Division 7. titled "Slavery Era Records and Insurance Disclosure." which shall consist of Sections 18-5-91 through 18-5-93, to read as follows:

**DIVISION 7. SLAVERY ERA RECORDS AND INSURANCE DISCLOSURE.**

**Sec. 18-5-91. Scope.**

- (a) This division shall apply to each contractor for goods or services with which the City enters into a contract, whether or not the contract is subject to competitive bid.
- (b) Each contractor shall be responsible for searching and disclosing records of the entity which proposes to enter into a contract with the City as well as all records of any predecessor entity that are within the possession or knowledge of the contractor regarding records of Investments or profits from the slave Industry, including records of any insurance policies issued to slave holders which provided coverage for injury, death, or other loss related to slaves who were held during the slavery era in the United States.

**Sec. 18-5-92. Affidavit of disclosure required.**

- (a) As part of its contract package, each contractor with which the City enters into a contract shall submit to the Finance Department Purchasing Division prior to the submission to City Council or approval of such contract, an affidavit that discloses the information indicated in Subsection (b) and (c) of this section. The affidavit shall be on a form provided by the Finance Department Purchasing Division.
- (b) The affidavit shall verify that the contractor has searched all records of the entity which proposes to enter into a contract with the City, as well as all records of any predecessor entity, that are within the possession or knowledge of the contractor regarding records of investments or profits from the slave industry, including records of any insurance policies issued to slave holders which provided coverage for injury, death, or other loss related to slaves who were held during the slavery era in the United states.
- (c) The affidavit shall disclose ay information discovered during the search regarding investments or profits from slavery or slave holder insurance policies which accrued to the current entity or to any predecessor entity, including the names of any slaves or slave holders that are described in such records or are otherwise within the knowledge of the contractor.

**Sec 18-5-93. Voidability of contract**

- (a) Failure to comply with this division shall render the contract voidable by the City.

- (b) A determination to void the contract for failure to comply with this division shall be made by the Director of the Finance Department at any time after reviewing, or become aware of, information which indicates that a contractor has failed to comply with this division.

**Sec 18-5-94—18-5-100. Reserved.**

**Section 2.** All ordinances, or parts of ordinances, that conflict with this ordinance are repealed.

**Section 3.** This ordinance is declared necessary for the preservation of the public peace, health, safety, and welfare of the People of the City of Detroit.

**Section 4.** In the event that this ordinance is passed by a two-thirds majority of City Council Members serving, it shall be given immediate effect and shall become effective upon publication in accordance with Section 4-116 of the 1997 Detroit City Charter,. Where this ordinance is passed by less than a two-thirds (2/3) majority of City Council Members serving., it shall become effective no later that thirty (30) days after enactment, or on the first business day thereafter in accordance with Section 4-115 of the 1997 Detroit City Charter.

(J.C.C.p. )	May 5, 2004
Passed:	June 23, 2004
Published:	July 19, 2004
Effective:	July 19, 2004
	(b)(6), (b) (7)(C) City Clerk

**CITY OF DETROIT**  
***SLAVERY ERA RECORDS AND INSURANCE DISCLOSURE AFFIDAVIT***

1. Name of Contractor: Future Net Group, Inc.
2. Address of Contractor: 12801 AUBURN ST.  
DETROIT, MI 48223
3. Name of Predecessor Entities (if any): N/A
4. Prior Affidavit submission? X No        Yes, on:                                   
(Date of prior submission)

If "No", complete Items 5 and 6.

If "Yes", list date of prior submission above, go to Item 6 and execute this Affidavit.

5. ☒ Contractor was established in 1994 (year) and did not exist during the slavery era in the United States, is not a successor in interest to any entity that existed during such time, and therefore has no relevant records to search, or any pertinent information to disclose.

       Contractor has searched their records and those of any predecessor entity, and has found no records that they or any predecessor(s) made any investments in, or derived profits from the slave industry or from slave holder insurance policies.

       Contractor has found records that they or their predecessor(s) made investments in, or derived profits from, the slave industry or slave holder insurance policies. The nature of the investment, profits, or insurance policies, including the names of any slaves or slave holders, is disclosed in the attached document(s).

6. I declare that the representations made in this Affidavit are accurate to the best of my knowledge and are based upon a diligent search of records in the Contractor's possession or knowledge. All documentation attached to this Affidavit reflects full disclosure of all

records that are required to be disclosed to the City of Detroit. I also acknowledge that any failure to conduct a diligent search, or to make a full and complete disclosure, shall render this contract voidable by the City of Detroit.

(b)(6), (b) (7)(C)	(Printed Name)	<u>President</u>	(Title)
(b)(6), (b) (7)(C)	(Signature)	<u>June 21, 2010</u>	(Date)

Subscribed and sworn to before me

this 21 day of June 2010  
Notary Public, Alfreda James County, Michigan  
My Commission expires: 3/26/2014

ALFREDA JAMES  
Notary Public, State of Michigan  
County of Oakland  
My Commission Expires 03-26-2014  
Acting in the county of Wayne

**CITY ACKNOWLEDGMENT**

STATE OF Michigan )  
 )SS.

COUNTY OF Wayne )

The foregoing contract was acknowledged before me the 30 day of June, 2010,

by

(b)(6), (b) (7)(C)

(name of person who signed the contract)

the

**Deputy Director**

(title of person who signed the contract as it appears on the contract)

of

**Information Technology Services Department**

(complete name of City department)

on behalf of the City.

(b)(6), (b) (7)(C)

Notary Public,

Wayne

County,

State of

Michigan

My commission expires:

February 20, 2016

MYRA LYNN ROBINSON  
Notary Public, State of Michigan  
County of Wayne  
My Commission Expires Feb. 20, 2016  
Acting in the County of Wayne



**CORPORATE ACKNOWLEDGMENT**

STATE OF MI )  
 )SS.  
COUNTY OF Wayne )

The foregoing contract was acknowledged before me the 21<sup>st</sup> day of June, 2010,

by (b)(6), (b) (7)(C)  
(name of person who signed the contract)

the President  
(title of person who signed the contract as it appears on the contract)

of Future Net Group, Inc.  
(complete name of the corporation)

on behalf of the Corporation.

Notary Public, Alfreda J. [Signature] County,  
State of Oakland  
Michigan  
My commission expires: 3/26/2014

ALFREDA JAMES  
Notary Public, State of Michigan  
County of Oakland  
My Commission Expires 03-26-2014  
Acting in the county of Wayne

PLEASE NOTE THAT THE PERSON WHO SIGNS THE CONTRACT ON BEHALF OF YOUR ENTITY MUST BE ONE OF THE INDIVIDUALS LISTED BELOW AS A PERSON AUTHORIZED TO EXECUTE CONTRACTS IN THE NAME OF AND ON BEHALF OF THE ENTITY.

### RESOLUTION OF CORPORATE AUTHORITY

I, (b)(6), (b)(7)(C), Corporate Secretary of  
(name of corporate secretary)  
Future Net Group, Inc, a Michigan  
(complete name of corporation) (State of Incorporation)  
corporation (the "Company"), **DO HEREBY CERTIFY** that the (non-profit or for profit) following is a true  
and correct excerpt from the minutes of the meeting of the Board of Directors duly called and held on  
6/18/2010, and that the same is now in full force and effect:  
(date of meeting)

"**RESOLVED**, that the Chairman, the President, each Vice President, the Treasurer, and the Secretary and each of them, is authorized to execute and deliver, in the name of and on behalf of the Company and under its corporate seal or otherwise, any agreement or other instrument or document ("Contract") in connection with any matter or transaction that shall have been duly approved; and the execution and delivery of any Contract by any of the aforementioned officers shall be conclusive evidence of such approval."

FURTHER, I CERTIFY that

(b)(6), (b)(7)(C) is Chairman,  
(b)(6), (b)(7)(C) is President,  
(b)(6), (b)(7)(C) is (are) Vice President(s),  
(b)(6), (b)(7)(C) is Treasurer,  
(b)(6), (b)(7)(C) is Secretary,  
(b)(6), (b)(7)(C) is Executive Director, and  
(b)(6), (b)(7)(C) is

FURTHER, I CERTIFY that any of the aforementioned officers or employees of the Company are authorized to execute and commit the Company to the conditions, obligations, stipulations and undertakings contained in the contract 2 (number 2821494) between the City and the above-referenced corporation and that all necessary corporate approvals have been obtained in relationship thereto.

IN WITNESS THEREOF, I have set my hand this

21<sup>st</sup> day of June, 2010.

CORPORATE SEAL

(if any)

(b)(6), (b)(7)(C)

Corporation Secretary